

SONOMA COUNTY WATER AGENCY

FY 08-09 BUDGET REQUEST

WATER TRANSMISSION

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FY 2008-09 BUDGET

BUDGET DIVISION SUMMARY

Section Title:

| |
|----------------------------------|
| WATER TRANSMISSION SYSTEM |
|----------------------------------|

A. Program Description

This section includes the operations and maintenance (O&M), construction projects and debt service obligations related to the Agency's Water Transmission System.

B. Financial Summary

| Section | GROSS EXPENDITURES | | | NET COST / USE OF FUND BALANCE | | |
|-------------------------------|---------------------|-----------------------|-------------------|--------------------------------|-----------------------|-------------------|
| | FY 07-08 Adopted | FY 08-09 Requested | Percent Change | FY 07-08 Adopted | FY 08-09 Requested | Percent Change |
| Water Trans. Agency Fund | \$42,240,761 | \$36,067,823 | (15%) | \$10,861,718 | \$4,505,353 | (59%) |
| SR Aqueduct Capital Fund | 0 | 800,000 | N/A | (569,092) | 76,006 | 113% |
| Petaluma Aq. Capital Fund | 2,022,288 | 4,403,449 | 118% | 1,099,743 | 3,030,976 | 176% |
| Forestville Aq. Capital Fund | 0 | 150 | N/A | 0 | 146 | N/A |
| Sonoma Aq. Capital Fund | 0 | 0 | N/A | (1,656) | (144,172) | (8606%) |
| Sonoma Aq. Revenue Bond | 337,456 | 167,238 | (50%) | 17,836 | (133,255) | (847%) |
| Storage Revenue Bond | 316,257 | 313,437 | (1%) | (46,332) | (45,206) | 2% |
| Storage Revenue Bond 2006 | 1,459,936 | 278,314 | (81%) | 1,005,040 | (173,748) | (117%) |
| Common Rev. Bond Fund | 1,944,928 | 284,311 | (85%) | 1,424,390 | (216,697) | (115%) |
| Common Rev. Bond Fund 2006 | 3,816,169 | 950,527 | (75%) | 3,393,775 | (266,811) | (108%) |
| State Loan Debt Service | 2,576,834 | 438,834 | (83%) | 1,335,629 | 65,269 | (95%) |
| State Loan Reserve | 0 | 0 | N/A | (119,640) | (119,641) | 0% |
| Storage Facilities | 1,160,953 | 800,000 | (31%) | (125,779) | 653,218 | 619% |
| Pipeline Facilities | 943,000 | 8,975,732 | 852% | (2,505,317) | (597) | 100% |
| Common Facilities | 7,457,531 | 10,617,511 | 42% | (1,400,215) | 10,554,368 | 854% |
| North Marin Water Deposit | 0 | 0 | N/A | (525) | (473) | 10% |
| Water Management Planning | 182,518 | 193,799 | 6% | (53) | (21,932) | (41281%) |
| Watershed Planning/Resotation | 465,648 | 496,412 | 7% | (1) | (23,549) | (2354811%) |
| Recycled Water & Local Supply | 4,947,766 | 473,075 | (90%) | 4,111,792 | (23,317) | (101%) |
| Water Conservation | 4,767,985 | 2,704,000 | (43%) | (790,818) | (112,908) | 86% |
| TOTAL: | \$74,640,030 | \$67,964,613 | (8.94%) | \$17,690,495 | \$17,603,031 | (0.49%) |

C. Staffing Summary

No staffing is allocated to indexes within this section. Refer to the Administration and General Section.

D. Workload Summary

Refer to the individual sections for information regarding work performed.

E. Summary of Issues and Significant Changes

Refer to the Departmental Budget Summary for a summary of issues and significant changes.

FY 2008-09 BUDGET

SUMMARY OF REVENUES AND EXPENDITURES

Section Title: WATER TRANSMISSION AGENCY FUND

Section/Index No: 675108

| Sub-Object No. and Title | Adopted 2007-08 | Requested 2008-09 | Difference | Percent Change |
|---|---------------------|----------------------|--------------------|-------------------|
| REVENUES: | | | | |
| <u>USE OF MONEY</u> | | | | |
| 1700 Interest on Pooled Cash | \$527,403 | \$204,298 | (\$323,105) | (61.26%) |
| 1760 Investment Income | 0 | 0 | 0 | N/A |
| Subtotal Use of Money | \$527,403 | \$204,298 | (\$323,105) | (61.26%) |
| <u>CHARGES FOR SERVICES</u> | | | | |
| 3666 Meter Service / Installation | \$50,000 | \$35,000 | (\$15,000) | (30.00%) |
| Subtotal Charges for Service | \$50,000 | \$35,000 | (\$15,000) | (30.00%) |
| <u>MISCELLANEOUS REVENUES</u> | | | | |
| 4039 Sale - Power | 1,050,000 | 1,050,000 | 0 | 0.00% |
| 4102 Donations and Reimbursements | 0 | 0 | 0 | N/A |
| 4161 Water Sales - O&M | 22,310,778 | 22,381,654 | 70,876 | 0.32% |
| 4162 Common Rev. Bd. Chg. | 1,956,624 | 1,900,328 | (56,296) | (2.88%) |
| 4163 Storage Rev. Bd. Chg. | 804,899 | 807,775 | 2,876 | 0.36% |
| 4164 Sonoma Aq. Rev. Bd. Chg. | 292,830 | 293,564 | 734 | 0.25% |
| 4165 Petaluma Aq. Rev. Bd. Chg. | 0 | 0 | 0 | N/A |
| 4166 Santa Rosa Aq. Cap. Chg. | 356,162 | 532,218 | 176,056 | 49.43% |
| 4167 Petaluma Aq. Rev. Bd. Chg. | 800,957 | 1,307,698 | 506,741 | 63.27% |
| 4168 Sonoma Aq. Cap. Charge | 0 | 138,540 | 138,540 | N/A |
| 4169 NM Revenue Bond Charge | 276,694 | 268,733 | (7,961) | (2.88%) |
| 4175 Water Mgmt Planning Sub-charge | 71,381 | 193,799 | 122,418 | 171.50% |
| 4176 Watershed Planning/Rest Sub-charge | 291,115 | 336,412 | 45,297 | 15.56% |
| 4177 Recycled Water&Local Sply Sub-charge | 0 | 363,076 | 363,076 | N/A |
| 4178 Water Conservation Sub-charge | 2,590,200 | 1,749,376 | (840,824) | (32.46%) |
| Subtotal Miscellaneous Revenues | \$30,801,640 | \$31,323,172 | \$521,532 | 1.69% |
| TOTAL REVENUES | \$31,379,043 | \$31,562,470 | \$183,427 | 0.58% |

EXPENDITURES:

SERVICES AND SUPPLIES

| | | | | |
|--|-----------|------------|-------------|----------|
| 6040 Communications | 24,329 | 52,868 | 28,539 | 117.31% |
| 6140 Maintenance Contracts & Equip. | 1,080,100 | 1,094,100 | 14,000 | 1.30% |
| 6180 Maintenance Projects | 4,470,301 | 1,933,500 | (2,536,801) | (56.75%) |
| 6262 Laboratory Supplies | 11,916 | 15,081 | 3,165 | 26.56% |
| 6280 Memberships | 160,000 | 90,000 | (70,000) | (43.75%) |
| 6410 Postage | 0 | 500 | 500 | N/A |
| 6461 Supplies / Expenses | 107,947 | 111,725 | 3,778 | 3.50% |
| 6512 Testing / Analysis | 221,319 | 170,000 | (51,319) | (23.19%) |
| 6522 District Administration (Equip Chg) | 0 | 25,000 | 25,000 | N/A |
| 6523 District Operations (Staff Chg) | 9,697,324 | 11,436,974 | 1,739,650 | 17.94% |

SUMMARY OF REVENUES AND EXPENDITURES

Index No.: 675108

| Sub-Object No. and Title | Adopted 2007-08 | Requested 2008-09 | Difference | Percent Change |
|--|---------------------|----------------------|----------------------|-------------------|
| EXPENDITURES: | | | | |
| <u>SERVICES AND SUPPLIES (Contd.)</u> | | | | |
| 6553 Contract - Security Services | 30,000 | 25,000 | (5,000) | (16.67%) |
| 6570 Consultant Services/Studies | 1,461,235 | 972,555 | (488,680) | (33.44%) |
| 6610 Legal Services | 275,000 | 80,000 | (195,000) | (70.91%) |
| 6616 Change of Venue | 0 | 2,000 | 2,000 | N/A |
| 6680 Public/Legal Notices | 0 | 5,000 | 5,000 | N/A |
| 6820 Rents and Leases - Equipment | 30,000 | 6,000 | (24,000) | (80.00%) |
| 6880 Small Tools - Instruments | 50,000 | 5,000 | (45,000) | (90.00%) |
| 6889 Software | 20,000 | 5,000 | (15,000) | (75.00%) |
| 7052 Out of State Use Tax | 0 | 0 | 0 | N/A |
| 7201 Gas / Oil | 5,000 | 0 | (5,000) | (100.00%) |
| 7206 Equipment Usage Charge | 750,000 | 750,000 | 0 | 0.00% |
| 7212 Chlorine Chemical / Recorder | 900,000 | 940,000 | 40,000 | 4.44% |
| 7217 State Permits / Fees | 80,000 | 60,000 | (20,000) | (25.00%) |
| 7247 Water Conservation Program | 0 | 0 | 0 | N/A |
| 7250 Reimbursable Projects | 1,000 | 10,000 | 9,000 | 900.00% |
| 7277 Recycled Water Use Prog | 0 | 0 | 0 | N/A |
| 7296 FERC Fees / Costs | 5,000 | 2,000 | (3,000) | (60.00%) |
| 7302 Travel Expense | 9,000 | 15,000 | 6,000 | 66.67% |
| 7303 Private Car Expense | 3,342 | 5,000 | 1,658 | 49.61% |
| 7320 Utilities | 0 | 470,000 | 470,000 | N/A |
| 7394 Power | 4,720,000 | 4,500,000 | (220,000) | (4.66%) |
| Subtotal Services and Supplies | \$24,112,813 | \$22,782,303 | (\$1,330,510) | (5.52%) |
| <u>OTHER CHARGES</u> | | | | |
| 7980 Depreciation | \$4,767,000 | \$5,067,000 | \$300,000 | 6.29% |
| 8010 Contribution to Non-County | \$0 | \$0 | \$0 | N/A |
| Subtotal Other Charges | \$4,767,000 | \$5,067,000 | \$300,000 | 6.29% |
| <u>FIXED ASSETS</u> | | | | |
| 8510 Buildings / Improvements | \$0 | \$0 | \$0 | N/A |
| 8533 SCWA - New Metered Service | 25,875 | 20,000 | (5,875) | (22.71%) |
| 8560 Equipment | 51,750 | 7,000 | (44,750) | (86.47%) |
| Subtotal Fixed Assets | \$77,625 | \$27,000 | (\$50,625) | (65.22%) |
| <u>OTHER FINANCING USES</u> | | | | |
| 8625 OT - W/in Special Dist - BOS | \$12,983,323 | \$7,891,519 | (\$5,091,804) | (39.22%) |
| Subtotal Other Financing Uses | \$12,983,323 | \$7,891,519 | (\$5,091,804) | (39.22%) |

SUMMARY OF REVENUES AND EXPENDITURES

Index No.: 675108

| Sub-Object No. and Title | Adopted 2007-08 | Requested 2008-09 | Difference | Percent Change |
|--|---------------------|----------------------|----------------------|-------------------|
| EXPENDITURES: | | | | |
| <u>APPROPRIATIONS FOR CONTIN.</u> | | | | |
| 9000 Appropriations for Contingencies | \$300,000 | \$300,000 | \$0 | 0.00% |
| Subtotal Approp. for Contingencies | \$300,000 | \$300,000 | \$0 | 0.00% |
| TOTAL EXPENDITURES | \$42,240,761 | \$36,067,823 | (\$6,172,938) | (14.61%) |
| TOTAL NET COST (Expenditures Minus Revenues) | \$10,861,718 | \$4,505,353 | (\$6,356,365) | (58.52%) |

FY 2008-09 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Water Transmission

Section Title: Water Transmission Agency Fund

Character Title: Use of Money and Property

Character No.: 675108-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Agency by the County Treasurer's office. Estimated interest is projected based on anticipated cash balance and an interest rate forecast by the Sonoma County Treasurer for the County Pooled Investment Program for the coming fiscal year.

| | |
|---|------------------|
| Estimated Average Cash Balance | 5,107,440 |
| Projected Interest Rate | 4.00% |
| Projected/Planned Interest on Pooled Cash | <u>\$204,298</u> |

Character Title: Charges for Service

Character No.: 675108-30

3666 Meter Service / Installation

This item reflects revenue received for installation of water meters. Actual revenues fluctuate from year to year based on requests for service. Expenditures associated with meter installation are budgeted in 675108-8533, SCWA - New Metered Service.

Character Title: Miscellaneous Revenues

Character No.: 675108-40

4039 Sale - Power

This item records revenue from the sale of power generated at the Warm Springs Dam hydro-electric plant and sold to Pacific Gas & Electric Company. The contract that fixed the rate received for this energy at approximately \$0.068/kwh is due to expire in 2009, at which time the rate is not expected to change significantly. The Agency is working with the Power and Water Resources Pooling Authority to buy this power for use by the water transmission system, thereby maximizing the use of renewable energy within Sonoma and Marin Counties.

4161 Water Sales - O&M inclusive of four subcharges

4162 Common Facilities Revenue Bond Charge

4163 Storage Facilities Revenue Bond Charge

4164 Sonoma Aqueduct Revenue Bond Charge

4165 Petaluma Aqueduct Revenue Bond Charge

4166 Santa Rosa Aqueduct Revenue Bond Charge

4167 Petaluma Aqueduct Capital Charge

4168 Sonoma Aqueduct Capital Charge

4169 North Marin Revenue Bond Charge

Under the terms of the Sixth Supplemental Ordinance adopted in December 2002, all water transmission system revenues are to first be deposited in the Agency fund and later transferred to the appropriate capital or debt service funds. The line items listed above are used to record receipt of these revenues.

Beginning July 1, 2006, all revenues received for the four subcharges are likewise received in the Agency's O&M fund and transferred to each subcharges' designated fund.

6040 Communications

This item is requested to provide funds for communication costs for radio, telephone and data line charges.

An increase in this expense is due to the installation of the SCADA Ethernet data line.

6140 Maintenance - Contracts and Equipment

PCAS No. Various

This item is requested to provide funds for purchase of small equipment and for annual equipment maintenance contracts. Details provided below.

| DESCRIPTION | PROJECT # | Requested FY 08-09 |
|--|-----------|-----------------------|
| Battery Service Agreement | | \$8,600 |
| Cathodic Protection - Caissons 2, 3, 4 and 5 | | 50,000 |
| Caustic Soda Metering Pump Parts | | 8,500 |
| Chlorine Parts and Detectors, spare pH/Chlorine Analyzer | | 80,000 |
| Computer Equipment Upgrade | | 5,000 |
| Electrical Equipment, Annual Calibration | | 12,000 |
| Generator Maintenance | | 60,000 |
| Hart Communicator | | 9,500 |
| Mini-Trols | 0617 | 15,000 |
| Mirabel Flow Meters | 7002 | 15,000 |
| Pond Maintenance | | 70,500 |
| Power Lines, Annual Maintenance | | 35,000 |
| RDS - Soft Starter & Bypass Contactor | | 5,000 |
| SONDE (quantity 5) | | 40,000 |
| Telemetry System Replacements (RTU) | | 75,000 |
| Test Equipment and Software | | 15,000 |
| Transfer Switch Maintenance | | 25,000 |
| Water System Instrument Spares | | 50,000 |
| Wohler Weather Station | | 10,000 |
| Wohler Closed Circuit TV Upgrade | | 5,000 |
| Wohler/Mirabel switchgear & transformer maintenance | | 60,000 |
| Wohler Transformer Maintenance (4 MVA & 7 MVA) | | 25,000 |
| Wohler Substation Maintenance (PDS #1 & #2) | | 35,000 |
| Wohler/Mirabel and Warm Springs Dam 12 kV PM | 0608 | 80,000 |
| Miscellaneous and Unforeseen Maintenance | | 300,000 |
| 6140 Total | | 1,094,100 |

6180 Maintenance - Buildings

PCAS No. Various

This item is requested to provide funds for contractual costs associated with projects to maintain the pumping, storage, pipeline and hydro-electric facilities. Details provided below.

| DESCRIPTION | PROJECT # | Requested FY 08-09 |
|---|-----------|-----------------------|
| Air Valve System Upgrade (50% in 06/07, 50% in 07/08) | 4078 | \$0 |
| Arc Flash Study | 7176-08 | 25,000 |
| Caissons 3 & 4 - Soil Stabilization | 4073 | 75,000 |
| Caissons 3, 4, & 5 - Rainproof Louvers & Cooling | 7093 | 100,000 |
| Emergency mobile SCADA | 7193 | 150,000 |
| Fish Screens | | 25,000 |
| Kastania Booster - Motor Pump Re-build | 3972 | 100,000 |

Continued on Next Page

6180 Maintenance - Buildings (Contd.)

| DESCRIPTION | PROJECT # | Requested FY 08-09 |
|---|-------------------|-----------------------|
| Kastania MCC Starter Upgrade | 4092 | 30,000 |
| Kawana Pump Station Grounds Maintenance - Reg Park | | 3,500 |
| Mirabel Potable Water Lines | 7092 | 75,000 |
| Mirabel pumps - 1 Peerless & 1 Floway | | 200,000 |
| Probe, multiparameter, in pipe - PipeSONDE | | 75,000 |
| Rubber Dam Modifications | | 200,000 |
| SCADA Upgrade with spares & software | 7049 | 75,000 |
| Solid state motor control and protection relays | 7118 | 75,000 |
| Tank cleaning and inspection (AquaTech Dive Services) | | 50,000 |
| Wilfred Booster - Upgrade Motor/Switchgear | 3605 | 75,000 |
| Wohler Generator Exhaust Modifications | | 300,000 |
| Miscellaneous and Unforeseen Maintenance Projects | | 300,000 |
| | 6180 Total | 1,933,500 |

6262 Laboratory Supplies / Expenses

PCAS No. 609-2, 609-5, 3288

This account records expenses for supplies and expenses associated with the laboratory.

6280 Memberships

This account records expenses for memberships to professional organizations. There is a decrease in this expense in FY 08/09 as the Water Contractors will pay their membership dues directly instead of the Agency paying dues on their behalf.

6461 Supplies / Expenses

PCAS No. 702, 3288

This account records expenses for routine office supplies and expenses.

6512 Testing / Analysis

PCAS No. 609-2, 3288

This account records expenses incurred to comply with all regulatory testing requirements.

6523 District Operations

PCAS No. Various

This item is requested to provide funds for salaries, benefits and overhead costs for staff assigned to the water transmission system. An increase in this expense is due to accounting change that started in FY 06/07 to pull Agency labor cost from the 6140 and 6180 subobjects, so subobject 6523 is Agency direct labor costs.

6553 Contract - Security Services

This item is requested to provide funds to contract for outside security services to patrol Agency facilities at Wohler and Mirabel.

6570 Consultant Services

This item covers the costs of services provided by outside consultants.

| DESCRIPTION | PROJECT # | Requested FY 08-09 |
|--|-----------|-----------------------|
| SF Bay IRWMP (also charges to SVCSD Flood Zones 2 & 3) | 4043-1 | 25,000 |
| SF North Coast IRWMP Consultants | 4042-2 | 65,000 |
| SF Bay Watershed Restoration (Bay Institute work, also charge) | 0617-1 | 25,000 |
| Overhead and Vehicle Crane Certifications Year 2 of 3 | 3722-1 | 25,000 |
| <u>Development Site Conceptual Model</u> | | |
| LBNL Contract (TOUGH2 model) | 3553 | 50,000 |
| <u>Operations Support</u> | | |
| Chittaranjan Ray Assistance | 0617-01 | 15,000 |
| <u>Natural Hazard Assessment</u> | | |
| Study | 3982 | 25,000 |
| <u>Water Right and Demand Studies</u> | | |
| Potter Valley | 3187 | 25,000 |
| Demand Management | | 25,000 |
| <u>Other</u> | | |
| Legislative Advocacy | 4043 | 80,000 |
| Mirabel/RR Well Modernization | | 100,000 |
| MMI - First Responder Training | | 35,000 |
| USGS Cryptosporidium Study | | 25,000 |
| RR System Flow Optimization | 0702 | 150,000 |
| Transmission System Modeling and Condition Assessment | | 25,000 |
| USGS | | 150,000 |
| Stream Gauge Monitoring - Dry Creek | 0617-05 | 27,555 |
| Financial Advising Svcs on the Long-range Financial Plan (KNN) | 0702-01 | 100,000 |
| 6570 Total | | 972,555 |

6610 Legal Services

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel or outside legal services, as required.

6820 Rents and Leases - Equipment

This item is requested to provide funds for rents and leases of equipment. Decrease in FY 08/09 to align the budget with actual expense history.

6880 Small Tools - Instruments

This item is requested to provide funds for the purchase of small tools, instruments and equipment that are individually under \$5,000.

6889 Software

This account provides funds for productivity software packages. Decrease in FY 08/09 to align the budget with actual expense history.

Character:

Services and Supplies (continued)

Character No.:

675108-60

7052 Out of State Use Tax

This item budgets for use tax collected by the State of California on purchases from out-of-state vendors.

7201 Gas / Oil

Gas/Oil includes the costs of gas, diesel, and oil to operate the Agency's emergency generators.

7206 Equipment Usage Charge

This item is requested to provide funds for equipment usage.

7212 Chlorine Chemical / Recorder

This sub-object provides funds for the purchase of chlorine gas used in chlorinating water prior to transporting to customers. This sub-object also provides funds for caustic soda required by the pH system.

7217 State Permits / Fees

This item is requested to provide funds for various permits and fees required by the State for Agency operations.

7247 Water Conservation Program

A new fund has been established within the Water Transmission budget for this program, index #675744. The fund is to provide funds for the Agency's water conservation and education programs.

7250 Reimbursable Projects

This item is used to account for expenses that will have an offsetting revenue. There is a significant increase in FY 08/09 for this subobject to align the budget with actual expenses for the reimbursable services that the Agency provides.

7277 Recycled Water Use Program

A new fund has been established within the Water Transmission budget for this program, index #675736. The fund is specific to recycled water projects carried out by the Water Contractors.

7296 FERC Fees / Costs

This item is requested to provide funds for fees paid to the Federal Energy Commission for licensing costs associated with the Agency's Hydro-Electric facility at Warm Springs Dam.

7302 Travel Expense

This item is requested to provide funds to cover the cost of travel expenses to meetings and seminars by Agency staff.

7303 Private Car Expense

This item is requested to provide funds to reimburse employees for the use of their private vehicles.

7320 Utilities

This item is requested to provide funds for utility costs other than power for the water transmission system.

7394 Power

The item is requested to provide funds for electrical energy costs required to meet the pumping demands of the water transmission system and to operate other water transmission facilities.

Character:

Other Charges

Character No.:

675108-75

7980 Depreciation

This item is requested to provide appropriations for depreciation of the water transmission system buildings, improvements and equipment. All completed construction projects from Storage Facilities, Pipeline Facilities and Common Facilities are transferred to the Water Transmission fund upon completion and depreciation is booked in the Water Transmission fund. No cash expenditure of funds is made.

Character: Other Charges (contd.)

Character No.: 675108-75

8010 Contribution to Non-County

This item is requested to provide funding to partner organizations that help to achieve the Agency's water supply goals. This includes the Business Environmental Alliance, the North Bay Watershed Association and the Russian River Watershed Association.

Character: Fixed Assets

Character No.: 675108-85

8510 Buildings / Improvements

This item is requested to provide funds for replacement and or improvement projects that may need to be undertaken during the fiscal year.

8533 SCWA - New Metered Service

PCAS No. 2885 - 2894

This item provides funds for the installation of meters, turnouts and taps on the Agency's pipelines. Reimbursement for these expenditures is budgeted in 675108-3666, Meter Service / Installation.

8560 Equipment

This item is requested to provide funds for equipment purchases which may be identified during the fiscal year.

Character: Other Financing Uses

Character No.: 675108-86

8625 OT - W/in Special Dist - BOS

This item is requested to transfer revenues collected as part of the rate for capital improvements and debt service payments. These transfers are made pursuant to the terms of the Master Water Supply Agreement and the Sixth Supplemental Ordinance.

| | |
|---------------------------------------|--------------------|
| Santa Rosa Aqueduct Capital Fund | \$532,218 |
| Petaluma Aqueduct Capital Fund | \$1,307,698 |
| Sonoma Aqueduct Capital Fund | 138,540 |
| Sonoma Aqueduct Revenue Bond Fund | 293,564 |
| Storage Facilities Rev Bond Fund 2003 | 357,082 |
| Storage Facilities Rev Bond 2006 Fund | 450,693 |
| Common Facilities Rev Bond Fund 2003 | 499,339 |
| Common Facilities Rev Bond 2006 Fund | 1,209,725 |
| State Loan Debt Service Fund | 340,356 |
| State Loan Reserve Fund | 119,641 |
| Water Management Planning Fund | 193,799 |
| Watershed Planning/Restoration Fund | 336,412 |
| Recycled Water and Local Supply Fund | 363,076 |
| Water Conservation Fund | 1,749,376 |
| Total | \$7,891,518 |

Character: Appropriations for Contingencies

Character No.: 675108-90

9000 Appropriations for Contingencies

This reserve is established for unanticipated costs which may arise during the fiscal year.

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Water Transmission

Section: Water Transmission Agency Fund

Index No.: 675108

| DESCRIPTION OF FUND ACTIVITY | Actual FY 06-07 | Estimated FY 07-08 | Requested FY 08-09 |
|---|----------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Fund Balance | | | |
| Available for Budgeting (See Detailed Components Below) | \$5,748,442 | \$7,817,956 | \$4,237,442 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase fund balance | 31,082,433 | 28,738,114 | 31,562,470 |
| Expenditures - (Decrease) fund balance | (39,872,209) | (39,017,779) | (36,067,823) |
| Net Surplus or Deficit - Increase/(Decrease) to fund balance | (8,789,776) | (10,279,665) | (4,505,353) |
| Adjustments to Reserves/Encumbrances: | | | |
| Depreciation | 3,623,339 | 4,767,000 | 5,067,000 |
| Outstanding Encumbrances - (Decrease) Fund Balance | 520,465 | 1,932,151 | |
| PY Encumbrances | 0 | 0 | |
| Post Audit Adjustments-Payables | | 0 | |
| Post Audit Adjustments-Receivables | 6,037 | 0 | |
| Post Audit Adjustments-Inventory | | 0 | |
| Post Audit Adjustments-Prepaid Expense | | 0 | |
| Increase in Recycled/Conservation Deposits | 6,707,716 | 0 | |
| Capitalized Interest | (685) | 0 | |
| Reclass of Prior Year Asset | 2,419 | 0 | |
| Net Adjustment - Increase/(Decrease) to Fund Balance | 10,859,291 | 6,699,151 | 5,067,000 |
| Undesignated/Unreserved <u>ENDING</u> Fund Balance | | | |
| Available for Budgeting | 7,817,956 | 4,237,442 | 4,799,089 |
| Total Increase/(Decrease) in Fund Balance for Fiscal Year | | | |
| (Difference between Beginning and Ending Balance) | \$2,069,514 | (\$3,580,514) | \$561,647 |
| <u>Fund Balance Components at Beginning of FY</u> | <u>7/1/06</u> | <u>7/1/07</u> | |
| Cash | \$11,103,227 | \$5,107,440 | |
| Accounts Receivable | 4,204,367 | 5,434,281 | |
| Deposits with Others | 13,000 | 13,000 | |
| Inventory of Materials and Supplies | 220,645 | | |

FY 2008-09 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANTA ROSA AQUEDUCT CAPITAL FUND
Section/Index No: 675207

| Sub-Object No. and Title | Adopted 2007-08 | Requested 2008-09 | Difference | Percent Change |
|--------------------------|--------------------|----------------------|------------|-------------------|
|--------------------------|--------------------|----------------------|------------|-------------------|

REVENUES:

USE OF MONEY

| | | | | |
|------------------------------|-----------|-----------|------------|---------|
| 1700 Interest on Pooled Cash | \$212,930 | \$191,777 | (\$21,153) | (9.93%) |
| 1760 Investment Income | 0 | 0 | 0 | N/A |

| | | | | |
|------------------------------|------------------|------------------|-------------------|----------------|
| Subtotal Use of Money | \$212,930 | \$191,777 | (\$21,153) | (9.93%) |
|------------------------------|------------------|------------------|-------------------|----------------|

MISCELLANEOUS REVENUES

| | | | | |
|------------------------------|-----|-----|-----|-----|
| 4035 Sale - Water Resale | \$0 | \$0 | \$0 | N/A |
| 4036 Sale - Water Government | 0 | 0 | 0 | N/A |

| | | | | |
|--|------------|------------|------------|------------|
| Subtotal Miscellaneous Revenues | \$0 | \$0 | \$0 | N/A |
|--|------------|------------|------------|------------|

OTHER FINANCING SOURCES

| | | | | |
|-----------------------------------|-----------|-----------|-----------|--------|
| 4625 OT - W/in Special Dist - BOS | \$356,162 | \$532,218 | \$176,056 | 49.43% |
|-----------------------------------|-----------|-----------|-----------|--------|

| | | | | |
|---|------------------|------------------|------------------|---------------|
| Subtotal Other Financing Sources | \$356,162 | \$532,218 | \$176,056 | 49.43% |
|---|------------------|------------------|------------------|---------------|

| | | | | |
|-----------------------|------------------|------------------|------------------|---------------|
| TOTAL REVENUES | \$569,092 | \$723,994 | \$154,902 | 27.22% |
|-----------------------|------------------|------------------|------------------|---------------|

EXPENDITURES:

OTHER FINANCING SOURCES

| | | | | |
|-----------------------------------|-----|-----------|-----------|-----|
| 8625 OT - W/in Special Dist - BOS | \$0 | \$800,000 | \$800,000 | N/A |
|-----------------------------------|-----|-----------|-----------|-----|

| | | | | |
|---|------------|------------------|------------------|------------|
| Subtotal Other Financing Sources | \$0 | \$800,000 | \$800,000 | N/A |
|---|------------|------------------|------------------|------------|

ADMINISTRATIVE CONTROL ACCT

| | | | | |
|-------------------------------|-----|-----|-----|-----|
| 9200 Ent - Principal | \$0 | \$0 | \$0 | N/A |
| 9209 Ent - Principal Clearing | 0 | 0 | 0 | N/A |

| | | | | |
|--|------------|------------|------------|------------|
| Subtotal Administrative Control | \$0 | \$0 | \$0 | N/A |
|--|------------|------------|------------|------------|

| | | | | |
|---------------------------|------------|------------------|------------------|------------|
| TOTAL EXPENDITURES | \$0 | \$800,000 | \$800,000 | N/A |
|---------------------------|------------|------------------|------------------|------------|

| | | | | |
|--|--------------------|-----------------|------------------|------------------|
| TOTAL NET COST (Expenditures Minus Revenues) | (\$569,092) | \$76,006 | \$645,098 | (113.36%) |
|--|--------------------|-----------------|------------------|------------------|

FY 2008-09 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Water Transmission

Section Title: Santa Rosa Aqueduct Capital Fund

Character Title: Use of Money and Property

Character No.: 675207-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Agency by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

| | |
|---|------------------|
| Estimated Average Cash Balance | 4,794,423 |
| Projected Interest Rate | 4.00% |
| Projected/Planned Interest on Pooled Cash | <u>\$191,777</u> |

Character Title: Other Financing Sources

Character No.: 675207-46

4625 OT - W/in Special Dist - BOS

An Aqueduct Capital Charge of \$30.00 per Acre Foot is being levied to accumulate funds for carrying out capital replacement needs of the Santa Rosa Aqueduct - per recommendation of the Water Advisory Committee, pursuant to the terms of the Master Water Supply Agreement. This amount is initially deposited in the Water Transmission Agency Fund and later transferred to the Santa Rosa Aqueduct Capital Fund pursuant to the terms of the Sixth Supplemental Ordinance.

Character Title: Other Financing Uses

Character No.: 675207-86

8625 OT - W/in Special Dist - BOS

| | |
|---|-----------|
| Operating Transfer to Pipeline per Long-range Financial Plan for the Santa Rosa Aqueduct Sections 2 & 3 Project. | \$800,000 |
|---|-----------|

FY 2008-09 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Water Transmission

Section: Santa Rosa Aqueduct Capital Fund

Index No.: 675207

| DESCRIPTION OF FUND ACTIVITY | Actual FY 06-07 | Estimated FY 07-08 | Requested FY 08-09 |
|---|--------------------|-----------------------|-----------------------|
| Undesignated/Unreserved <u>BEGINNING</u> Fund Balance | | | |
| Available for Budgeting (See Detailed Components Below) | \$3,695,232 | \$4,303,799 | \$4,875,336 |
| Annual Revenues and Expenditures: | | | |
| Revenues - Increase fund balance | 608,567 | 571,537 | 723,994 |
| Expenditures - (Decrease) fund balance | 0 | 0 | (800,000) |
| Net Surplus or Deficit - Increase/(Decrease) to fund balance | 608,567 | 571,537 | (76,006) |
| Adjustments to Reserves/Encumbrances: | | | |
| No adjustments required at this time. | 0 | 0 | |
| Net Adjustment - Increase/(Decrease) to Fund Balance | 0 | 0 | 0 |
| Undesignated/Unreserved <u>ENDING</u> Fund Balance | | | |
| Available for Budgeting | 4,303,799 | 4,875,336 | 4,799,331 |
| Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance) | \$608,567 | \$571,537 | (\$76,006) |
| <u>Fund Balance Components at Beginning of FY</u> | 7/1/06 | 7/1/07 | |
| Cash | \$3,695,232 | \$4,303,799 | |
| Total Beginning Fund Balance | \$3,695,232 | \$4,303,799 | |

FY 2008-09 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: PETALUMA AQUEDUCT CAPITAL FUND
Section/Index No: 675215

| Sub-Object No. and Title | Adopted 2007-08 | Requested 2008-09 | Difference | Percent Change |
|--------------------------|--------------------|----------------------|------------|-------------------|
|--------------------------|--------------------|----------------------|------------|-------------------|

REVENUES:

USE OF MONEY

| | | | | |
|------------------------------|------------------|-----------------|-------------------|-----------------|
| 1700 Interest on Pooled Cash | \$121,588 | \$64,776 | (\$56,812) | (46.73%) |
| 1760 Investment Income | 0 | 0 | 0 | N/A |
| Subtotal Use of Money | \$121,588 | \$64,776 | (\$56,812) | (46.73%) |

MISCELLANEOUS REVENUES

| | | | | |
|--|------------|------------|------------|------------|
| 4035 Sale - Water Resale | \$0 | \$0 | \$0 | N/A |
| Subtotal Miscellaneous Revenues | \$0 | \$0 | \$0 | N/A |

OTHER FINANCING SOURCES

| | | | | |
|---|------------------|--------------------|------------------|---------------|
| 4625 OT - W/in Special Dist - BOS | \$800,957 | \$1,307,698 | \$506,741 | 63.27% |
| Subtotal Other Financing Sources | \$800,957 | \$1,307,698 | \$506,741 | 63.27% |

| | | | | |
|-----------------------|------------------|--------------------|------------------|---------------|
| TOTAL REVENUES | \$922,545 | \$1,372,473 | \$449,928 | 48.77% |
|-----------------------|------------------|--------------------|------------------|---------------|

EXPENDITURES:

OTHER FINANCING USES

| | | | | |
|--------------------------------------|--------------------|--------------------|--------------------|----------------|
| 8625 OT - W/in Special Dist - BOS | \$2,022,288 | \$4,403,449 | \$2,381,161 | 117.75% |
| Subtotal Other Financing Uses | \$2,022,288 | \$4,403,449 | \$2,381,161 | 117.75% |

ADMINISTRATIVE CONTROL ACCOUNT

| | | | | |
|--|------------|------------|------------|------------|
| 9200 Ent - Principal | \$0 | \$0 | \$0 | N/A |
| 9209 Ent - Principal Clearing | 0 | 0 | 0 | N/A |
| Subtotal Administrative Control | \$0 | \$0 | \$0 | N/A |

| | | | | |
|---------------------------|--------------------|--------------------|--------------------|------------|
| TOTAL EXPENDITURES | \$2,022,288 | \$4,403,449 | \$2,381,161 | N/A |
|---------------------------|--------------------|--------------------|--------------------|------------|

| | | | | |
|--|--------------------|--------------------|--------------------|----------------|
| TOTAL NET COST (Expenditures Minus Revenues) | \$1,099,743 | \$3,030,976 | \$1,931,233 | 175.61% |
|--|--------------------|--------------------|--------------------|----------------|

FY 2008-09 BUDGET
CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Water Transmission

Section Title: Petaluma Aqueduct Capital Fund

Character Title: Use of Money and Property

Character No.: 675215-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Agency by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

| | |
|---|-----------------|
| Estimated Average Cash Balance | 1,619,389 |
| Projected Interest Rate | 4.00% |
| Projected/Planned Interest on Pooled Cash | <u>\$64,776</u> |

Character Title: Other Financing Sources

Character No.: 675215-46

4625 OT - W/in Special Dist - BOS

An Aqueduct Capital Charge of \$70.00 per Acre Foot is being levied to accumulate funds for carrying out capital replacement needs of the Petaluma Aqueduct - per recommendation of the Water Advisory Committee, pursuant to the terms of the Master Water Supply Agreement. This amount is initially deposited in the Water Transmission Agency Fund and later transferred to the Petaluma Aqueduct Capital Fund pursuant to the terms of the Sixth Supplemental Ordinance.

Character Title: Other Financing Uses

Character No.: 675215-86

8625 OT - W/in Special Dist - BOS

| | |
|---|-------------|
| Operating Transfer to Pipeline, #675413, per Long-range Financial Plan | \$4,403,449 |
| Petaluma Aqueduct Fund's share of cost for the South Transmission System's Pipeline project is 53.86% per the Restructured Agreement for Water Supply which began July 1, 2006. | |